

CHAPTER 110
INVENTORY GUIDELINES FOR STATE OF IOWA
PERSONAL AND REAL PROPERTY

[Prior to 9/17/03, see 401—Chapter 10]

11—110.1(7A) Purpose. The department of administrative services is responsible for establishing inventory guidelines for personal and real property owned by state departments. Beginning July 1, 1998, the accompanying rules are the minimum universal guidelines for personal property. Each state department may implement more restrictive guidelines to enhance accountability for physical assets.

11—110.2(7A) Definitions.

110.2(1) *Personal property.* For purposes of this chapter, personal property is any item or equipment that has an acquisition value of \$5000 or more and has an anticipated useful life of one year or more. Computer software is to be excluded from this definition. If the minimum level for capitalization set by the federal Office of Management and Budget Circular A87 is changed, there will be a coordinated effort between the department of administrative services and the department of revenue to determine if the amount should be adjusted for the state of Iowa.

110.2(2) *Accounting in aggregate.* Accounting in aggregate is the process of accounting for certain types of items in a lump sum rather than individually. Items accounted for in aggregate are added for the combined value with one entry to the fixed asset listing. Items that may be accounted for in aggregate are defined as: one item that is made up of two or more component parts and the individual values are less than \$5000, but the combined value can be \$5000 or more.

110.2(3) *Acquisition value—cost or estimated cost.* Cost or estimated cost may include freight, installation expense and administrative expense, if readily known and available. If cost is unknown and cannot be estimated, acquisition value is the fair market value. For donated items, acquisition value is the fair market value at date of donation.

110.2(4) *Department.* A department is any state agency or institution as identified in Iowa Code section 7A.30.

11—110.3(7A) Accounting for items in aggregate. Personal property may be accounted for in aggregate. If accounting in aggregate as defined in 110.2(2), one item or component of the item shall be tagged with a prenumbered tag and all other items or components marked with an unnumbered tag or other identifiable markings.

Any item that is accounted for in the aggregate whose individual values are less than \$5000 will not be included in the Comprehensive Annual Financial Report (CAFR) for the state, even if the amount in the aggregate exceeds the minimum level for capitalization. If a department chooses to account for items in aggregate, or report items at a level that is more restrictive than \$5000, then the department must recognize that these items will be reconciling items when reporting for the CAFR.

To ensure proper accountability for these items, each department will prepare written policies and procedures for tracking and recording items accounted for in aggregate.

11—110.4(7A) Physical inventory. A physical inventory of personal property must be taken and the results reconciled with property records at least once every two years.

11—110.5(7A) Inventory identification. If feasible, all inventoried personal property should be identified as state of Iowa property with a prenumbered decal or the appropriate bar code tag or other identifiable mark.

11—110.6(7A) Inventory listing. Personal property should be accounted for on an inventory listing. As applicable, the following minimum information must be presented on the inventory listing for each record of personal property:

1. Department.
2. Tag number.
3. Description.
4. Acquisition value.
5. Location(s).
6. Acquisition date.
7. Disposition date (not applicable until disposal of property).
8. The only depreciation method allowed shall be the straight-line method.
9. If the department depreciates personal property, the information must include the useful life of the asset.

Departments shall develop adequate internal control procedures that (1) identify individual(s) authorized to update and change the inventory records and (2) provide for an adequate segregation of duties between the recording and custody of property.

11—110.7(7A) Capital leases. Property acquired under capital lease provisions shall be accounted for on the inventory listing at the inception of the lease.

These rules are intended to implement Iowa Code section 7A.30.

[Filed 10/21/94, Notice 8/31/94—published 11/9/94, effective 12/14/94]

[Filed 8/25/95, Notice 6/21/95—published 9/13/95, effective 10/18/95]

[Filed 9/4/98 emergency after Notice 4/22/98—published 9/23/98, effective 9/4/98]

[Filed 3/15/02, Notice 1/9/02—published 4/3/02, effective 5/8/02]

[Filed emergency 8/29/03—published 9/17/03, effective 9/2/03]